

MEMO FOR THE RECORD

21 February 1952

General Counsel

Credit Union

1. After extensive study on how the Credit Union is to be managed, it is proposed that the Union pay certain full-time employees out of its own funds and utilize part-time, as necessary, certain Agency employees and reimburse the Government for the salaries of those employees for the time spent on Union business.

STAT [] discussed this with [] on the staff of the General Counsel to the Comptroller General, who thought there might be a technical objection. STAT

2. I discussed this with [] General Counsel to the Comptroller General, to see if the matter should be submitted for an official ruling. I explained the security aspects which probably made this a unique situation. He agreed and stated that it was true that there might be a technical objection, but that since the Government would be reimbursed for the time its employees worked on Union business, he felt the technical objection was not important and that the proposal sounded practical. STAT

3. I emphasized that this was not an arbitrary proposal but had been arrived at after very careful consideration. [] said that under the circumstances he thought we should not submit it for ruling by his office. I said we would carefully document the whole arrangement and felt that it was soundly conceived. STAT

STAT 4. [] suggested we might have a similar problem with Group Hospitalization and I stated that that was under study and that probably some similar proposal would be forthcoming. [] stated that his own secretary spent some time on Group Hospitalization for his office and received a free policy in return and that they saw no objection to this arrangement. STAT

LAWRENCE R. HOUSTON

LRH/mls

(this memo was included in the DD/A's log dtd 23 Feb 52)